



NAVAL INVENTORY CONTROL POINT



Desired Characteristics of the 21st Century Defense Industrial Base

***RADM Michael S. Roesner
16 May 2007***

Ready. Resourceful. Responsive!

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 16 MAY 2007		2. REPORT TYPE		3. DATES COVERED 00-00-2007 to 00-00-2007	
4. TITLE AND SUBTITLE Desired Characteristics of the 21st Century Defense Industrial Base				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Supply Systems Comd,Naval Inventory Control Point,Mechanicsburg,PA,17055-0791				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES 4th Annual Acquisition Research Symposium: Creating Synergy for Informed Change, May 16-17, 2007 in Monterey, CA					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 11	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Purpose, Mission & Vision

Purpose

◆ **Delivering Combat Capability Through Logistics**

Mission

◆ **To provide Navy, Marine Corps, Joint and Allied Forces quality supplies and services on a timely basis**

Vision

◆ **We will be the customers' choice for the best value products and services, where a single request by the customer activates a global network of sources and solutions.**



Providing Worldwide Support Around the Clock ... 24 / 7 / 365



Naval Inventory Control Point

Customer Profile

AFLOAT



Carrier Aircraft



Marine Corps Aviation



Surface Ships



Helo Detachments



Submarines

3,379 Aircraft
6,702 Aircraft Engines
15 Air Launched
Missile Types

206 Surface Ships
70 Submarines
115 Nuclear
Reactor Plants

FOREIGN MILITARY SALES



Over 80 Countries,
2,249 Aircraft
652 Ships

ASHORE



Naval Air Stations



Marine Corps Air Stations



Other Services and
Gov't Agencies
Coast Guard



Program Managers

MAINTENANCE



Navy
Depots



Other Service
Depots



Contractor
Depots

NAVICP Products & Services and Processes

Global Integrated Supply Chain Mgmt

- *Weapon System LCM*
- *Material Acquisition*
- *Fulfillment*
- *Other Integrated Supply Mgmt*

FMS Case Mgmt

- *Pre-LOR*
- *Case Development*
- *Case Execution*
- *Case Closure*
- *Business Sustaining*
- *Other Security Coop*

Allowance Production/Maintenance

- *Product Development*
- *Configuration Mgmt*
- *Program Mgmt*

Other

- *DLA 339 Processing*
- *Price Fighters*
- *IT Contracting*
- *Ammo Contracting*
- *Naval Logistics Library*

GISCM Accounts for Two-Thirds of NAVICP Resources



Naval Inventory Control Point

Business Profile

(Annual Values)

	<u>NAVICP</u>	<u>Ships</u>	<u>Aviation</u>
Employees:	2,409	1,239	1,170
Sales:	\$4.2B	\$0.8B	\$3.4B
Line Items Managed:	457,844	291,829	166,015
Customer Orders:	648,360	186,614	461,746
Contract Actions:	41,915	30,417	11,498
Repair Actions:	217,422	33,067	184,355

65% of items
reparable ... highly
complex supply
chain



F/A-18 FLIR Optics Stabilizer



Close In Weapons System



F404 Engine

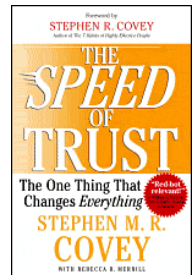


LM-2500 Propulsion System

Characteristics of the Defense Industrial Base

Trust and Transparency

- **Myth: Trust is soft. Reality: Trust is hard, real and quantifiable. It measurably affects both speed and cost.***
- **Trust facilitates transparency not only between government - industry but between industry partners.**
- **High Trust equates to credibility and confidence.**
- **Trust promotes better communication, reliability, accountability and commitment.**



Characteristics of the Defense Industrial Base

Responsive and Results Driven

- ***Industry understands and anticipates DoD requirements...forward looking and risk-sharing.***
- ***Can quickly reprioritize workload to best meet DoD needs.***
- ***Focused on objectively defined results, not just processes.***
- ***Take responsibility for results and ensure progress is effectively communicated to the customer.***

U.S. Navy is a permanent, long-term, low-risk customer!

Characteristics of the Defense Industrial Base

Uniform Total Life-Cycle Focus

- ***Business organizations aligned to provide performance-based support from cradle to grave.***
- ***Standardization of roles and responsibilities...clear expectations.***
- ***Benefits to Life-Cycle approach:***
 - 1) Minimizes risk to industry***
 - 2) Facilitates longer-term relationships***
 - 3) Provides financial incentives to long-term solutions***

Characteristics of the Defense Industrial Base

Strategic Partnerships and Globalization

- ***Expand joint partnerships between government and industry into new areas of the business.***
- ***Foster partnerships between industry peers to:***
 - 1) Enhance performance***
 - 2) Reduce costs***
 - 3) Diversity (socioeconomic goals)***
- ***Leverage foreign customers and industry to achieve costs savings and increased performance.***

Characteristics of the Defense Industrial Base

Technology and Efficiency Focus

- ***Leverage emerging technologies/innovations to maintain qualitative technology edge.***
- ***Embrace technology to create efficient organizations and infrastructure reducing cost and procurement lead time.***
- ***Incorporate efficient processes (Lean and Six Sigma) to eliminate unnecessary cost and inefficiencies.***
- ***Utilize IT solutions and Open System Architecture to enhance Supply Chain responsiveness.***

The key variable to all these characteristics is...

T*rust and Transparency*

R*esponsive and Results Driven*

U*niform Total Life-Cycle Focus*

S*trategic Partnerships and Globalization*

T*echnology and Efficiency Focus*